CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

	<u>5-31-03</u> Date
Honorable David Dewhurst President of the Senate	
Honorable Tom Craddick Speaker of the House of Representatives	·~
Sirs:	
Representatives onHB 3015	adjust the differences between the Senate and the House ofhave had the same under consideration, and that it do pass in the form and text hereto attached.
Shapiro	Fach Brown.
SENATOR FLORENCE SHAPIRO CHAIR	REPRESENTATIVE FRED BROWN
SENATOR, ROYCE WEST	REPRESENTATIVE TALMADGE HEFLIN
SFEATOR TEEDER BLV.CNS	DESCRIPTION OF THE STATES
STOWARD CONTROL OF THE PROPERTY OF THE PROPERT	BERTHERATE OF CHARLES MORRESON
On the part of the Senate	On the part of the House
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Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 3015

A BILL TO BE ENTITLED

AN ACT

relating to the tuition and fees charged to students of institutions of higher education, to financial assistance funded by tuition, and to reports of availability and access by institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 54.0513, Education Code, is amended to read as follows:

Sec. 54.0513. <u>DESIGNATED TUITION</u> [REDESIGNATION OF BUILDING USE FEE].

SECTION 2. Sections 54.0513(a) and (b), Education Code, are amended to read as follows:

(a) [The building use fee previously authorized in Section 55.16 of this code is redesignated as tuition.

[(b)] In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may [is authorized to] charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution [in an academic year an amount not to exceed the amount charged under Sections 54.051 or 54.0512, as applicable, in that academic year].

(b) A governing board may set a different tuition rate for

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each program and course level offered by each institution of higher
education. A governing board may set a different tuition rate as
the governing board considers appropriate to increase graduation
rates, encourage efficient use of facilities, or enhance employee
nerformance

- SECTION 3. Subchapter B, Chapter 54, Education Code, is amended by adding Section 54.0515 to read as follows:
- Sec. 54.0515. LEGISLATIVE OVERSIGHT COMMITTEE ON HIGHER EDUCATION. (a) In this section. "committee" means the legislative oversight committee on higher education.
- (b) The legislative oversight committee on higher education is composed of 12 members as follows:
- (1) six members of the senate appointed by the lieutenant governor; and
- (2) six members of the house of representatives appointed by the speaker of the house of representatives.
- (c) The lieutenant governor shall designate one of the committee members appointed by the lieutenant governor as committee co-chair and the speaker shall designate one of the committee members appointed by the speaker as committee co-chair.
- (d) An appointed member of the committee serves at the pleasure of the appointing official. In making appointments to the committee, the appointing officials shall attempt to appoint persons who represent the gender composition, minority populations, and geographic regions of the state.
- (e) It is the legislature's intent that each institution of higher education, as a condition to tuition deregulation under Section 54.0513, reasonably implement the following:

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	(1) each institution shall make satisfactory progress
	towards the goals provided in its master plan for higher education
	and in "Closing the Gaps," the state's master plan for higher
;	education; and

(2) each institution shall meet acceptable performance criteria, including measures such as graduation rates, retention rates, enrollment growth, educational quality, efforts to enhance minority participation, opportunities for financial aid, and affordability.

(f) The committee shall:

- (1) meet at the call of either chair;
- (2) monitor and regularly report to the legislature on each institution of higher education's compliance with the requirements of Subsection (e); and
- (3) receive and review information concerning the affordability and accessibility of higher education, including the impact of tuition deregulation.
- (g) The committee may request reports and other information from institutions of higher education and the Texas Higher Education Coordinating Board as necessary to carry out this section.
- (e) The committee shall make recommendations for any legislative action the committee considers necessary to meet the criteria provided by Subsection (e), and such other criteria as the legislature may establish, and to improve higher education affordability and access.
 - (f) This section does not create a cause of action.
 - SECTION 4. Section 54.624, Education Code, is amended to read

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Sec. 54.624. SENIOR COLLEGE PLAN. (a) Through the senior college plan, a prepaid tuition contract shall provide prepaid tuition and required fees for the beneficiary to attend a public senior college or university for a specified number of undergraduate credit hours not to exceed the typical number of hours required for a baccalaureate degree awarded by a public senior college or university.

(b) When the beneficiary of a senior college plan prepaid tuition contract enrolls in a public senior college or university.

the university shall accept as payment in full of the beneficiary's tuition and required fees the lesser of:

- (1) the amount of tuition and required fees charged by the institution; or
- (2) an amount paid by the board under the contract equal to the weighted average amount of tuition and required fees of all public senior colleges and universities for that semester or other academic period as determined by the board.
- (c) Each public senior college or university shall provide the information requested by the board on or before June 1 each year to assist the board in determining the weighted average amount of tuition and required fees of all public senior colleges and universities for each semester or other academic term of the following academic year for purposes of this section.
- SECTION 5. Chapter 56, Education Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. FINANCIAL ASSISTANCE FUNDED

FROM DESIGNATED TUITION

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE. (a)
The governing board of each institution of higher education shall
cause to be set aside not less than 20 percent of any amount of
tuition charged to a resident undergraduate student under Section
54.0513 in excess of \$46 per semester credit hour. The funds set
aside under this section by an institution shall be used to provide
financial assistance for resident undergraduate students enrolled
in the institution.

(b) To be eligible for assistance under this section, a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Priority shall be given to students who meet the coordinating board definition of financial need, and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

(c) The financial assistance provided under this section may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of higher education shall cause to be set aside not less than 15 percent of any amount of tuition charged to a resident student enrolled in a graduate or professional degree program under Section 54.0513 in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

(b) To be eligible for assistance under this section, a

student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Priority shall be given to students who meet the coordinating board definition of financial need and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

(c) The financial assistance provided under this section may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

Sec. 56.013. INFORMATION REGARDING FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION. The Texas Higher Education Coordinating Board shall disseminate to each public or accredited private high school in this state information regarding the financial assistance available under this subchapter and shall include information designed to educate high school students and the parents of those students on available opportunities and required preparation with respect to institutions of higher education. The coordinating board shall recommend a method of delivery of the information to parents and students under this section.

SECTION 6. Subchapter H, Chapter 51, Education Code, is amended by adding Section 51.4031 to read as follows:

Sec. 51.4031. REPORTS OF AFFORDABILITY AND ACCESS. (a) Not later than November 1 of each year, the chief executive officer of each institution of higher education, as defined by Section 61.003, shall provide to the governing board of the institution a report for the preceding fall, spring, and summer semesters that examines the affordability and access of the institution.

(b) The report must include:
(1) statistical information on the percentage of gross
family income required for a student who is a resident of this
state to pay tuition and required fees charged by the institution;
(2) the criteria used by the institution to admit
students to the institution;
(3) an analysis of the criteria used to admit students
and to award financial assistance to students, considering the
mission of the institution and the purposes of higher education in
this state;
(4) an analysis of the manner in which the factors
described by Subdivisions (1)-(3) relate to:
(A) the regions of this state in which students
reside;
(B) the race or ethnicity of students;
(C) the gender of students; and
(D) the level of education achieved by the parents
of students; and
(5) comparisons of the institution with peer
institutions in this state and in other states with respect to
affordability and access.
(c) For purposes of the report, a student who applies for
admission to or enrolls in an institution and applies for financial
aid from the institution may be required to provide documentation
necessary for the institution to complete the report.
(d) An institution's report must be in the form prescribed by

the institution.

the Texas Higher Education Coordinating Board in consultation with

SECTION 7. (a) This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

(b) The changes in law made by this Act relating to tuition charged by institutions of higher education apply beginning with the 2003 fall semester.

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Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SECTION 1. Amends Section 54.0513, Education Code, Designated Tuition, as follows:

- (a) Provides that, in addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board is authorized to charge an amount designated as tuition in an academic year not to exceed the amount charged under Sections 54.051 or 54.0512, as applicable, in that academic year.
- (b) Provides that, in addition to the amounts authorized by Subsection (a), the governing board of an institution of higher education may charge a resident undergraduate student an *additional* amount designated as tuition as follows: (1) for the 2003-2004 academic year, an amount not to exceed \$23

SENATE VERSION

SECTION 1. Adds Section 54.0031, Education Code, Expiration of Authority to Impose Tuition and Student Fees, to prohibit a public college or university from imposing, charging, or collecting tuition or fees from any student enrolled at the institution for a term or semester beginning on or after January 1, 2006. Provides an exception to the prohibition for a charge or fee for goods or services not provided as part of the school's academic program unless payment of the charge or fee is required of all nonexempt students at the school.

SECTION 2. Amends Section 54.0513, Education Code, Designated Tuition, as follows:

(a) Same as House version.

(b) Provides that, in addition to the amounts authorized by Subsection (a) or the other provisions of this chapter, the governing board of an institution of higher education may charge a resident undergraduate student an amount designated as tuition. For the 2003-2004 and 2004-2005 academic years,

CONFERENCE

No equivalent provision.

SECTION 1. Amends the heading to Section 54.0513, Education Code, to read Designated Tuition.

SECTION 2. Amends Sections 54.0513(a) and (b), Education Code, as follows: (a) Provides that, in addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.

No equivalent provision.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

per semester credit hour; (2) for the 2004-2005 academic year, an amount not to exceed \$46 per semester credit hour; (3) unless otherwise expressly provided by this code and subject to Subsection (e), for the 2005-2006 academic year, an amount the governing board considers necessary, and charged under the terms the governing board considers appropriate, for the effective operation of the institution; and (4) unless otherwise expressly provided by this code, for the 2006-2007 academic year and thereafter, an amount the governing board considers necessary, and charged under the terms the governing board considers appropriate, for the effective operation of the institution, not to exceed the amount the institution charged in the 2005-2006 academic year for a resident undergraduate student in the same degree program.

(b-1) Provides that the maximum amounts of tuition permitted by Subsection (b) are in addition only to the tuition amounts authorized by Subsection (a). Prohibits a governing board of an institution of higher education from increasing the maximum amount of tuition by combining or aggregating the additional amounts permitted by Subsections (b)(1) and (b)(2).

No equivalent provision.

SENATE VERSION

the amount is limited as follows: (1) for the 2003-2004 academic year, an amount not to exceed \$23 per semester credit hour; and (2) for the 2004-2005 academic year, an amount not to exceed \$46 per semester credit hour. (A1)

(b-1) Same as House version, except omits the provision that the maximum amounts of tuition permitted are in addition only to the amounts authorized by Subsection (a).

(b-2) Provides that, beginning with the 2005-2006 academic year, revenue from any portion of tuition charged under Subsection (b) at a rate in excess of \$46 per semester credit hour is subject to Section 54.004, Retention and Use of Funds. (A1)

CONFERENCE

No equivalent provision.

Same as House version.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

- (c) For a nonresident student or a student enrolled in a graduate or professional degree program, allows the governing board of an institution of higher education to charge amounts designated as tuition in the amounts and under the terms the governing board considers necessary for the effective operation of the institution.
- (d) Allows a governing board to set a different tuition rate for each program and course level offered by each institution of higher education and to set a different tuition rate as the board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance. Provides that this subsection does not authorize a governing board to set tuition in violation of a limitation provided by another provision of this chapter.
- (e) Prohibits an institution of higher education from charging tuition under Subsection (b) in excess of the amount in Subsection (b)(2) unless the institution is certified by the Texas Higher Education Coordinating Board to have made satisfactory progress since the preceding year toward accessibility goals set by the board. Requires the board to establish criteria that an institution that has not shown satisfactory progress must meet by the following January. Requires the institution's governing board to prepare and submit to the coordinating board a plan for the institution to make satisfactory progress and any information necessary to evaluate its progress.

SENATE VERSION

- (c) Same as House version, except allows the governing board to charge those amounts designated as tuition for a nonresident student or a student enrolled in a graduate degree program, including a dental or medical degree program, a graduate degree program in an allied health field, or another graduate-level professional degree program.
- (d) Substantially the same as House version, except also allows a governing board to set different tuition rates for different academic periods.

(b-3) Requires the coordinating board to adopt performance criteria for each institution of higher education to measure satisfactory progress towards goals provided in the board's master plan for higher education. Requires the performance criteria to include certain specified measures. Establishes requirements for an affordability report to include certain analyses and affordability comparisons among in-state and out-of-state peer institutions. Prohibits an institution from charging tuition under Subsection (b) unless the coordinating board certifies that it met the performance criteria in the preceding academic year. (A1)

CONFERENCE

No equivalent provision.

(b) Same as House version, except omits the provision stating that this subsection does not authorize a governing board to set tuition in violation of a limitation provided by another provision of this chapter.

No equivalent provision.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

No equivalent provision.

(b-4) Provides that Subsections (b-2), (b-3), and (b-4) expire September 1, 2007. (A4)

Same as House version.

(f) Prohibits an institution's governing board from increasing the resident student tuition rate from the applicable rate for the preceding academic year by a greater percentage than the percentage of any increase in the comparable nonresident student tuition rate No equivalent provision.

Same as Senate version.

(g) - (j) Reletters former Subsections (c) - (f).

(e) - (h) Same as House version.

No equivalent provision.

(k) Prohibits an institution of higher education from charging an undergraduate student tuition under Subsections (b) or (c) in an academic year unless the institution applies the same admissions criteria to all freshman admissions to that academic year.

No equivalent provision.

Same as Senate version.

No equivalent provision.

SECTION ____. Adds Section 54.0515, Education Code, Legislative Oversight Committee on Tuition Deregulation. Creates the 10-member committee, specifies its composition, and sets forth its general charges. Allows the committee to request reports and information from colleges and universities and from the Texas Higher Education Coordinating Board, and requires the coordinating board to provide certain reports. Requires the committee to report to the governor, lieutenant governor, and speaker of the house not later than November of each even-numbered year. Provides that these provisions expire September 1, 2007. (A2)

SECTION 3. Similar to Senate version. Provides for a 12-member committee with different charges. The provisions do not expire.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

SECTION 2. Adds Subchapter B, Chapter 56, Education Code, Financial Assistance Funded From Designated Tuition, as follows:

Sec. 56.011. Resident Undergraduate Student Assistance. (a) Requires the governing board of each institution of higher education to cause to be set aside not less than 20 percent of any amount of tuition charged to a resident undergraduate student under Section 54.0513 in excess of \$46 per semester credit hour. Provides that the funds set aside under this section by an institution shall be used to provide financial assistance for resident undergraduate students enrolled in the institution.

(b) Provides that, to be eligible for assistance under this section, a resident undergraduate student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Requires priority to be given to resident undergraduate students who meet the coordinating board definition of financial need, and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

No equivalent provision.

SENATE VERSION

SECTION 5. Same as House version, except as follows:

Sec. 56.011. Undergraduate Student Assistance. (a) Requires the governing board of each institution of higher education to cause to be set aside: (1) not less than 40 percent of the amount of tuition charged to a resident undergraduate student under Section 54.0513 in excess of \$46 per semester credit hour; and (2) not less than three percent of the amount of tuition charged to a nonresident undergraduate student under Section 54.0513 in excess of \$46 per semester credit hour. (A2 as amended by A3)

No equivalent provision.

(b) Requires that the money set aside under this section be used to support: (1) undergraduate work-study programs at the institution; (2) the Texas B-on-time loan program, if that program is enacted by the 78th Legislature; and (3) TEXAS Grants. (A5)

CONFERENCE

SECTION 5. Same as House version, except as follows:

Sec. 56.011. (a) Same as House version.

(b) Same as House version, except omits the qualifier resident undergraduate.

Same as House version.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

(c) Allows the financial assistance provided under this section to include grants, scholarships, and work-study programs.

Sec. 56.012. Nonresident Undergraduate Student Assistance.

(a) Requires the governing board of each institution of higher education to cause to be set aside not less than three percent of any amount of tuition charged under Section 54.0513 to a nonresident undergraduate student in excess of \$46 per semester credit hour. Requires funds set aside under this section by an institution to be used to provide financial aid for nonresident undergraduate students at the institution.

- (b) Establishes both eligibility criteria for receiving aid under this section and priority in awarding that aid.
- (c) Provides for the disposition of funds set aside under this section if they exceed the amount required to provide financial assistance to each eligible nonresident undergraduate student.

Sec. 56.013. Resident Graduate Student Assistance. (a) Requires the governing board of each institution of higher education to cause to be set aside not less than 15 percent of any amount of tuition charged to a resident student enrolled in a graduate or professional degree program under Section 54.0513 in excess of \$46 per semester credit hour. Requires the funds set aside under this section by an institution to be used to provide financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

SENATE VERSION

No equivalent provision.

(See Section 56.011(a)(2) above for provision relating to amount of nonresident undergraduate student tuition set aside.)

CONFERENCE

(c) Same as House version, except that states that the funds may also be used for student loans and student loan repayment assistance.

Same as Senate version.

Sec. 56.012. (a) and (b) Substantially the same as House version.

Sec. 56.012. (a) Same as House version.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

- (b) Provides that, to be eligible for assistance under this section, a student enrolled in a graduate or professional degree program must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Requires priority to be given to students who meet the coordinating board definition of financial need and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.
- (c) Allows the financial aid provided under this section to include grants, scholarships, and work-study programs.

Sec. 56.014. Information Regarding Financial Assistance Funded From Designated Tuition.

No equivalent provision.

SECTION 3. Amends Section 51.4031, Education Code, Reports of Affordability and Access. Requires the chief executive officer of each institution of higher education to provide the institution's governing board a report for the preceding fall, spring, and summer semesters that examines the institution's affordability and access. Sets forth certain

SENATE VERSION

No equivalent provision.

(c) Same as House version.

Sec. 56.013. Same as House version, with a minor wording change.

SECTION 6. Adds Section 54.4015, Education Code, Accountability Reports. Requires the coordinating board to adopt standards to measure the performance of each institution of higher education, sets forth content requirements for the standards, and imposes reporting requirements on governing boards of institutions.

No equivalent provision.

CONFERENCE

(b) Same as House version, except omits the condition that a student must be enrolled in a graduate or professional program.

(c) Same as House version, except that states that the funds may also be used for student loans and student loan repayment assistance

Sec. 56.013. Same as House version.

Same as House version.

SECTION 6. Similar to House version except that a report must be filed each year by November 1.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

requirements for the report's content, including statistical information on the percentage of gross family income needed by a resident student to pay tuition and fees; the institution's admissions criteria; an analysis of criteria used to admit students and award financial aid: how these factors relate to certain demographic characteristics; and peer institution comparisons. Includes requirements relating to documentation and the form of a report.

No equivalent provision.

SECTION 4. Amends Section 54.624, Education Code, Senior College Plan, providing for payment of tuition and fees of prepaid tuition contract beneficiary at general academic teaching institution.

SECTION 5. Requires the Texas Higher Education Coordinating Board to conduct a study of the accessibility and availability of graduate and professional programs in Texas public colleges and universities and to report its findings and recommendations to the legislature not later than January 1, 2004.

No equivalent provision.

SENATE VERSION

CONFERENCE

SECTION 3. Adds Section 54.619(i), Education Code, relating to the prepaid higher education tuition program, to allow the coordinating board to suspend new enrollment in the program as the board considers necessary to ensure the fund's actuarial soundness.

SECTION 4. Same as House version.

SECTION 4. Same as House version.

No equivalent provision.

Same as Senate version.

Same as House version

SECTION __. (a) Renumbers Section 61.088, Education Code, as added by Chapter 795, Acts of the 77th Legislature,

Same as House version.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

Regular Session, 2001, as Section 61.0901, Higher Education

CONFERENCE

Assistance Program, and amends it to establish the former pilot program as a permanent program, to expand its application statewide, and to require a biennial report due to the legislature not later than December 1 of each even-numbered year. Requires the report to include a comparison of the number of college acceptances before and after the program's implementation from areas served by the program. (b) Provides for this provision to take effect immediately, contingent on the required two-thirds vote in each house of the legislature. (A7)

No equivalent provision.

SECTION 7. (a) Requires the legislative committees with jurisdiction over higher education jointly to study alternative means by which rates for tuition and fees at public colleges and universities may be set by the legislature and by those institutions' governing boards. Requires the study to consider the impact of those alternatives on specific areas of higher education. (b) Requires the committee chairs, in consultation with the members, to determine the procedures for conducting the study. (c) Requires the committees to present their findings and recommendations to the legislature not later than December 1, 2004. (A2)

No equivalent provision.

SECTION 8. (a) Makes the changes in law relating to tuition charged by public colleges and universities applicable beginning with the 2003 fall semester. (b) Requires the initial report to be prepared for the 2002-2003 academic year.

Same as House version.

Incorporates the transition provision in (a) into House version.

Conference Committee Report Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

SECTION 6. Effective date.

SECTION 9. Same as House version.

CONFERENCE

SECTION 7. (a) Same as House version.

(b) Makes the changes in law relating to tuition charged by public colleges and universities applicable beginning with the 2003 fall semester.